

**Testimony of Bridgeport Mayor Joe Ganim on Senate Bill 487 AN ACT CONCERNING THE
LEGALIZATION, TAXATION AND REGULATION OF THE RETAIL SALE AND RECREATIONAL USE OF
MARIJUANA AND CONCERNING THE PRODUCTION OF HEMP**

Connecticut General Assembly – Joint Committee on the Judiciary

Public Hearing – March 19, 2018

Chairman Tong, Chairman Doyle, Chairman Kissel: For the record my name is Joe Ganim, and I am Mayor of Bridgeport, Connecticut's largest city.

I want to state my support today for Senate Bill 487 AN ACT CONCERNING THE LEGALIZATION<
TAXATION AND REGULATION OF THE RETAIL SALE AND RECREATIONAL USE OF MARIJUANA AND
CONCERNING THE PRODUCTION OF HEMP

Now, that's a mouthful to be sure. But what we are really talking about is the continuation in a trend in how Connecticut law treats marijuana, starting with decriminalization of small amounts a few years ago, to the establishment of a prescription based system for medical marijuana a few years after that to this major step.

And let's face it – every other state in New England has either taken the step of legalizing recreational marijuana or is taking steps to do so.

We are not just talking about legalizing pot – we are talking about expanding on the regulatory system we already have in place for medicinal marijuana and incorporating retail recreational marijuana into that.

We are talking about the state taxing this lucrative product and earning millions of dollars in new revenue every year – which everyone in this building agrees we need.

It is long past time we in this country acknowledged that attitudes about marijuana have changed dramatically and it is time for us too in this land of steady habits to change with it.

As Senator Looney – the sponsor of this legislation – has said multiple times – it is time we treat and regulate marijuana the same way we treat alcohol or tobacco. These are regulated but legal substances.

It is time we dropped the false premise that those who consume marijuana are criminals and that through enforcement, prosecution and incarceration we will stop people from consuming cannabis.

Because let's face reality – anyone who wants to buy pot can already get it in Connecticut. If you have a medical card, you are getting clean and locally grown plants, and good quality herbs.

If you are buying marijuana in the thriving black market, you really don't know what you are getting. It could be laced with all kinds of chemicals or other harmful drugs that you don't even know what you are ingesting.

So there is a credible argument to be made that it is actually safer for consumers to establish an above ground, retail market for marijuana where everything that goes into that product is listed on the label so people know exactly what they are buying. Just like any other regulated consumer product.

It would be subject to the same strict commercial and consumer safety standards as other regulated products – much like hard liquor or tobacco products.

If you inhale or consume and edible, and then get behind the wheel of a car, then you will be prosecuted harshly for driving under the influence.

In reality – taking the step of creating a retail marketplace for safe, regulated marijuana opens up the possibility of establishing whole new industries in Connecticut that could provide jobs for thousands of people and hundreds of millions of dollars in economic development every year – Particularly for our urban areas.

It is an avenue worth exploring.

Now some have concerns that making marijuana more available is dangerous for society, will lead to more unsafe drivers on the road, more crime, and will put more children in danger.

So what do we do in Connecticut? Often the best place to look for answers in these groundbreaking public policy areas is states that have already implemented recreational marijuana.

Colorado was the first state to go recreational in 2012. Since then, the industry has grown astronomically.

We actually reached out to the governor's office in Denver, who provided us with some very interesting statistics.

- In 2015, the marijuana industry has had an estimated \$2.5 Billion economic impact in Colorado
- Total marijuana sold in the state in 2014 was \$700 million
- Total marijuana sold in CO in 2015 was more than \$1 Billion
- The marijuana industry has created 18,000 full-time and ancillary jobs
- Marijuana sold in retail stores is grown and packaged in Colorado by companies that employ local labor, pay rent, and hire security companies
- Retail recreational marijuana remits \$210 million annually in tax revenue to the state – and Colorado has a \$30 Billion annual state budget – about 50% larger than Connecticut's.
- Much of that revenue is dedicated to programs to combat drug addiction in Colorado – a very responsible use of the funds.
- Each dollar spent on retail marijuana generates \$2.40 in state output – this is a higher yield than general retail trade of \$1.88 per dollar spent
- Cannabis is becoming one of the largest industries in Colorado. It generates more revenue than mining gold ore. More revenue is generated by recreational marijuana than sports venues, multifamily residential construction, bakeries and performing arts.
- The marijuana industry generates half the revenue of the oil and gas sector in Colorado.

When you look at the Public Safety Impact of Recreational Marijuana in Colorado:

- Arrests for marijuana have decreased by nearly 50%
- But the state is still seeing arrests for Black residents for marijuana at triple the rate of whites arrested. That has not changed as a result of the law. That may indicate a greater problem with law enforcement in general than with marijuana.

- Overall There was a slight decrease in the number of summons issued to drivers in Colorado for marijuana related DUI incidents.
- In Denver, marijuana related DUI traffic summons increased substantially, as did toxicology reports showing marijuana use by city drivers
- Traffic fatalities where marijuana was a factor also increased substantially.

In terms of the Public Health Impact:

- Reports of marijuana related usage have increased in Colorado – but state researchers have not determined whether that reflects actual usage or increased disclosure of marijuana usage that comes with legalization
- Marijuana-related hospitalizations have increased substantially
- Colorado has seen declines in usage rates of opioids and other dangerous prescription drugs since the launch of recreational marijuana.

So in Colorado, launching forward with recreational marijuana has produced some very positive results and also some negative results. That can be true for any new area of public policy.

What is clear is that Colorado's economy is booming. And the sky has not crashed as a result of marijuana sales going recreational or retail.

One other state going through the implementation phase of recreational marijuana much closer to home is our neighbor to the north – Massachusetts.

Massachusetts also decriminalized small amounts of marijuana a few years ago and has a well established and regulated medical marijuana program.

Voters there approved a ballot measure in 2016 enacting recreational marijuana. And though consuming cannabis is legal, Massachusetts has been rightly cautious about establishing retail marijuana locations.

Some interesting things to note:

- Massachusetts established a non-partisan Cannabis Commission of five individuals appointed by the Governor, State Treasurer, Attorney General, and Legislative leaders last year to promulgate regulations and issue licenses statewide for retail establishments and marijuana producers and growers.
- That commission is set to give out licenses for people who apply later this spring.
- One of the public policy priorities the commission has identified is to give out 'priority licenses' for marijuana retail operations in areas where large numbers of people have been impacted by previous enforcement of marijuana laws and many have been incarcerated.
- This could be directly seen as a way to boost the economy of urban areas from which many people come who served years in prison on low level drug related charges. So there can be a significant 2nd chance element to establishing a retail recreational marijuana industry.
- Cities and Towns in Massachusetts have the ability via referendum to choose not to allow retail marijuana establishments in their municipality
- Marijuana purchased in MA must be consumed in MA.
- It is legal to consume marijuana at home – but illegal to smoke in public much like tobacco.

These are very important lessons to learn about how other states have implemented recreational marijuana and what impact this has had so far.

Still – there are some uncertainties that remain that we in Connecticut should be mindful of.

For instance – how will the federal government relate to legal marijuana business since pot is still banned by federal law.

The current federal administration has renewed a law enforcement focus on cracking down on marijuana, whereas the previous administration was concentrating on other matters.

The US Attorney for Massachusetts recently set off some alarm bells when he said he could not “provide assurances that certain categories of participants in the state-level marijuana trade will be immune from federal prosecution.”

Marijuana industry businesses have had a very difficult time with banking, because federal banking regulations will not allow establishments dealing in banned federal substances to open bank accounts or obtain credit.

So in many cases, recreational marijuana companies pay their bills and their workers in cash. This large amount of cash creates extra costs for security and creates a higher risk for crime.

So far there has been no evidence of higher property crime or other crime such as gang related or cartel related activity due to the recreational marijuana industry.

So to sum it all up – what are the lessons we learn here?

What we have seen thus far is that with a slow, cautious, deliberate and highly regulated approach – a state can have a successful recreational marijuana policy that generates billions of dollars in positive economic impact, creates thousands of jobs, and generates hundreds of millions of dollars in additional revenue each year for state government.

It is also important not to be blind to some of the other consequences to opening up recreational marijuana. More prevalence of THC means more people at some level of high in school, at work, and in everyday interactions.

We can try to control that, but ultimately that is in the hands of the users. But we can treat that the same way as we do alcohol.

One thing that is clear: establishing medical marijuana in Connecticut could lead to substantial amounts of new revenue for the state, and we need new revenue options.

It could create thousands of new jobs and Connecticut needs new jobs.

This industry could provide significant economic development in our urban areas.

As a matter of fact, the city of Bridgeport has already been approached by companies who operate pods they want to install in old factory buildings in our city.

These pods are climate controlled and marijuana could be grown hydroponically using ultra-violet light. They could use the old industrial spaces and would not even need to do environmental cleanup or remediation. All they would need is electricity.

Is recreational marijuana the answer to all of our economic and fiscal needs in Connecticut? Of course not. But it is a potentially significant piece of a new Connecticut economy.

Recreational marijuana is an avenue worth exploring.

If done right – if we follow in the footsteps of states that have already made this transition and learn from their experiences both good and bad – we could help usher in a new industry to our state that makes consumption of this substance much safer than it is now.

For all of those reasons I support passage of this bill. Thank you.